


Price \$2.00

VOL. I, NO. 1, AUGUST 3, 1977

# Investment Insights



  
**NEW  
ENGLAND  
RARE COIN  
GALLERIES**  
THE NEW LEADER IN  
AMERICAN NUMISMATICS

Mailing Address: P. O. Box 1776 • Boston, Mass. 02107

Executive Offices and Galleries: 89 Devonshire Street • Boston, Mass 02109 • 617-227-8800 • Toll-Free Wats Line: 1-800-225-6794

## INTRODUCTION

Mintage figures can cause confusion when it comes to coin investment. For instance, the 1911-D Quarter Eagle has the lowest mintage and is the rarest of the Indian Quarter Eagle series. To some, it would seem to follow that the lowest mintage would dictate the greatest rarity for other series as well. Not so! In the Peace Dollar series, for example, the lowest mintage coin is the 1928-P. However, the rarest and most expensive Peace Dollar in mint state, the 1934-S, has nearly 3 times the mintage and yet sells for 5 times or more what the 1928-P sells for. While mintage is very important, it is not the only determining factor in rarity or price.

While most collectors understand this, a surprisingly large number do not. A letter recently appeared in a numismatic publication from a disgruntled collector who was trying to buy a BU 1934-S dollar for his collection. He argued that since a 1928 cost \$200, the "three times as common" 1934-S should cost only one third as much, or about \$70. He said he wasn't going to buy a 1934-S until the "obvious typographical error" was changed in the Red Book. Incredibly, the numismatic publication let the letter stand unanswered. Many readers new to coin collecting undoubtedly read this letter, thought it seemed logical, and vowed they wouldn't buy *their* 1934-S for a while, either. The "obvious typographical error" was never changed, or course, because it was not an error at all. The author of the letter was confused by mintage figures and assumed mintage equals rarity equals price. This is known in economics as a "post hoc, ergo propter hoc" fallacy, and such reasoning leads to obvious problems, such as the one above.

This is the first of a series of New England Rare Coin Galleries investment letters. The purpose of these investment letters is to help you avoid some of the pitfalls of coin investment. If we are to find the best investment, it is necessary to "root out" the errors of the past. If coin dealers, collectors, and investors knew exactly what the true rarity of each coin was, there would be a steady "across the board" increase on all issues as the demand increased. Instead, some coins show a meteoric rise in price while others remain unchanged. The tremendous growth on some issues is due usually to newly acquired knowledge — knowledge that coin "X", a \$300 coin, is much rarer and in greater demand than coin "Y", also a \$300 coin. Soon, coin "X" becomes a \$500 coin, or a \$1,000 coin. Through the research, experience, and professional expertise of the staff of New England Rare Coin Galleries, this investment letter will help you find coin "X" and avoid coin "Y".



## INDIAN HEAD QUARTER EAGLES, 1908-1929

From 1908 to 1929, the United States Mint issued fifteen different dates and mintmarks of the Indian Head Quarter Eagle. The design is incuse (i.e. stamped *into* the coin). The only other U.S. coin with an incuse design is the Indian Head Half Eagle, also issued during the same period. Indian Head Quarter Eagles are recommended for investment for many reasons. The series seems to have "everything going for it," as they say. Some of the reasons are:

### 1) The series is collectible as a complete set.

Some series of United States coins are not collectible as a complete set, such as \$5 gold pieces. Where can the collector obtain Half Eagles of 1815, 1822, 1841-O even if he *can* afford them? If he wishes to collect a mint state set of Indian Head Half Eagles, where does he obtain a 1913-S, 1911-D or 1909-O? These factors can be a deterrent to collectors, thus hurting the investment potential of a series. Conversely, all issues of the Indian Head Quarter Eagle series are obtainable in mint state. Quite scarce, to be sure, but collectible.

### 2) The series is affordable.

The key date of the series, the 1911-D, sells for about \$1250 to \$2000 in mint state. Most of the other dates can be purchased for \$175 in Choice BU and about \$250 in Gem BU. The dates 1908 and 1914 cost more, and other "sleeper" dates discussed later cost a little more. Therefore, a complete set is a reasonable undertaking and can be completed for about \$4,000 to \$5,250 depending on quality.

### 3) Indian Quarter Eagles are not "bullion" coins.

When the United States went off the gold standard in 1933, large quantities of United States gold coins were stored in Swiss bank vaults. In recent years, Swiss banks have given daily quotes on \$20, \$10, and \$5 gold pieces, but *not* on Quarter Eagles. Indian Quarter Eagles are not available in "bulk" quantity, and have not been for many years, if ever.

### 4) Many issues are scarcer than the price indicates.

There is definite room for growth in this series. At the present time, scarce issues such as 1909, 1910, and 1914-D cost little more than the plentiful 1925-D or 1927. It is our opinion that this could change dramatically in the near future.

There are other reasons for the great investment potential of this series as well. They are 20th century coins, and 20th century coins are currently showing the fastest increase in price of all U.S. coins. They are gold, and many people want to own them for this reason. Furthermore, the Indian Quarter Eagle is an attractive coin. These factors make a great demand on a very limited supply, which creates a text book example of the most basic economic law: increased demand on a fixed or decreasing supply means increased prices. Every person who buys gasoline or coffee knows this only too well.

## A DATE BY DATE ANALYSIS

For the purposes of this analysis, rarity ratings have been given to each of the fifteen issues. The scale works as follows:

R-4 — Rare; about 20 pieces *maximum* come on the market each year.

R-3 — Very scarce; 50 to 75 pieces come on the market each year.

R-2 — Scarce; not always easy to locate.

R-1 — Relatively common; easily located at the present time.

1908 — This issue *always* comes with a weakly defined eagle's "shoulder." This weakness is seen even on *Proof coins*, and therefore is probably due to die cutting rather than weak strike. It is in great demand as a first-year-of-type coin.

Choice BU — R-2

Gem BU — R-3

1909 — David Akers notes in his book on Quarter Eagles: "... this date is much more difficult to obtain in Choice Uncirculated condition than the later dates of this type."

Choice BU — R-2

Gem BU — R-2

1910 — Akers: "... more difficult to obtain in Choice Uncirculated condition than one might imagine."

Choice BU — R-2

Gem BU — R-2+

1911 — A "common" date in circulated condition, but fairly scarce in Choice mint state.

Choice BU — R-2

Gem BU — R-2

1911-D — The key issue of the series, with a mintage of only 55,680. Of those, most were circulated or melted. A mint state 1911-D is by far the rarest Indian Quarter Eagle. There are two minor misconceptions about this issue. One, it is frequently stated that most specimens have a very weak mintmark. In fact, over 50% of the 1911-D Quarter Eagles we've seen had bold, clear mintmarks (and were still genuine, of course). Two, it is often said that there is *always* a partial wire rim on the obverse between 12 and 3 o'clock. This wire rim is sometimes found on a corresponding place on the *reverse* and missing from the obverse completely. This suggests that the wire rim was caused by collar placement (which sometimes shifted) and is not diagnostic of the dies.

Choice BU — R-3

Gem BU — R-4

1912, 1913, 1915 — These issues are "common" in circulated condition yet scarce in Choice mint state. They are presently "lumped together" with the issues of 1925-D — 1929, yet are *much* more difficult to locate.

Choice BU — R-2

Gem BU — R-2

1914 — From the standpoint of mintage and rarity, this coin is second only to the 1911-D. As this series becomes more specialized, a dramatic price increase on this issue is probable.

Choice BU — R-2++

Gem BU — R-3

1914-D — This date and the 1908 issue are the only two Indian Quarter Eagles that are weakly defined (again, we avoid calling it "weak strike" on these two issues because it seems to be a die characteristic rather than die pressure). Scarce in Choice mint state.

Choice BU — R-2

Gem BU — R-2

1925-D, 1926, 1927, 1928, 1929 — These late issues are easily located in Choice condition at the present time. However, an R-1+ rating is given to the 1929 issue because the strike is frequently weak or "fuzzy." The 1925-D also encounters some strike problems, but there are many nice strikes around as well.

Choice BU — R-1

Gem BU — R-1

\*1929 Gem BU — R1+

Also, please note that superb specimens (MS-65/70) are scarce in all issues and command a premium.



While we make a concerted effort to buy top quality coins at all times, we have been making a special effort to buy Indian Quarter Eagles for the past few months, in order to make this offering. The results have been eye-opening. The issues from 1908 to 1915 are just as we said: "Not always easy to locate." We are finally able to make the following comprehensive offering, although it has taken us somewhat longer than expected to build a sufficient stock. These coins are offered for your consideration on a first-come, first-served basis. Due to our limited supply, we must limit customers to one coin of each date.

1908 Choice BU 60/65 .....	225.00
Gem BU 65 .....	375.00
Superb Gem BU 65/70 .....	495.00
1909 Choice BU 60/65 .....	195.00
Gem BU 65 .....	325.00
Superb Gem BU 65/70 .....	450.00
1910 Choice BU 60/65 .....	195.00
Gem BU 65 .....	325.00
Superb Gem BU 65/70 .....	450.00
1911 Choice BU 60/65 .....	185.00
Gem BU 65 .....	295.00
Superb Gem BU 65/70 .....	395.00
1911-D Choice BU 60/65 .....	1,150.00
Gem BU 65 .....	1,850.00
Superb Gem BU 65/70 .....	2,450.00
1912 Choice BU 60/65 .....	185.00
Gem BU 65 .....	295.00
Superb Gem BU 65/70 .....	395.00
1913 Choice BU/65 .....	185.00
Gem BU 65 .....	295.00
Superb Gem BU 65/70 .....	395.00
1914 Choice BU 60/65 .....	225.00
Gem BU 65 .....	375.00
Superb Gem BU 65/70 .....	495.00
1914-D Choice BU 60/65 .....	195.00
Gem BU 65 .....	325.00
Superb Gem BU 65/60 .....	450.00
1915 Choice BU 60/65 .....	175.00
Gem BU 65 .....	260.00
Superb Gem BU 65/70 .....	350.00
1925-D Choice BU 60/65 .....	175.00
Gem BU 65 .....	250.00
Superb Gem BU 65/70 .....	325.00
1926 Choice BU 60/65 .....	175.00
Gem BU .....	250.00
Superb Gem BU 65/70 .....	325.00
1927 Choice BU 60/65 .....	175.00
Gem BU 65 .....	250.00
Superb Gem BU 65/70 .....	325.00
1928 Choice BU 60/65 .....	175.00
Gem BU 65 .....	250.00
Superb Gem BU 65/70 .....	325.00
1929 Choice BU 65/70 .....	175.00
Gem BU 65 .....	250.00
Superb Gem BU 65/70 .....	325.00

## OTHER RECOMMENDATIONS

Writing in the June 24, 1977 edition of THE COIN DEALER NEWSLETTER, Allen Harriman states: "As readers are aware, "bid-ask" prices for Unc-MS-60 and Choice BU MS-65 type coins have remained virtually unchanged for several months — with the exception of a small number of gains registered in recent weeks. This, however, does not mean that there have been sufficient

quantities of material available at current bid levels to satisfy dealer needs. Quite the contrary is true — particularly in the Choice MS-65 category. One of the most common complaints among dealers is that they cannot find enough nice material to satisfy current demand."

This statement hits the nail on the head — dead center! It has become pointless to increase bids on the teletype when there is no real chance of obtaining Choice type material anyway. However, when bids are not increased, many collectors get the mistaken impression that the market is "dead" in a certain area.

"Inside" information is needed to know what is *really* going on — and that is another purpose of this investment letter. The fact is that silver and nickel type coins are going through another "boom" cycle, but that cycle is not reflected by the bid-ask levels on THE COIN DEALER NEWSLETTER. We frequently wholesale coins to knowledgeable dealers at double the current "bid" price and sometimes even more! What coins do we get those prices for? Affordable ones — coins that are legitimately scarce and yet fall within the budget of the average collector and investor. For instance, Superb quality Three Cent Nickels in the 1879-1889 era, Shield Nickels of 1879, 1880, and 1881, mintmarked Barber Dimes and Quarters, Seated Liberty Quarters and Half Dollars from 1879 to 1890, first-year-of-type coins such as 1913 Type One Buffalo Nickels, 1916-P Mercury Dimes, Walking Liberty Half Dollars of 1916, 20th century Barber Half Dollars (and all the Barber issues of 1892 — P, O, and S mint dimes, quarters and half dollars), Superb quality Morgan and Peace Dollars, 1917 Type One Quarters, and other coins of this classification. Rare coins of outstanding quality and desirability, particularly in the \$50-\$2500 range, are undergoing an economic upheaval. Watch these issues closely. It is our opinion that today's "high" prices are actually the ground floor of future growth.

One of the coins in the greatest demand is the 1892-S Barber Half Dollar. The first-year-of-type status helps this issue, plus the attractive mintage and rarity of the date in all grades (the coin sells for \$40 in Good condition). Other factors favor this issue as well: it has an auction record of \$2500 for a Gem and has long been recognized as an underrated date in mint state (at the 1971 Washington, D.C. ANA Convention, a Superb specimen sold for \$600 (!) when common dates were \$115). We have found the 1892-S to be much rarer, in fact, than the highly touted 1892-O.

On a recent trip to the West Coast, we were fortunate enough to purchase an original roll of this rare issue. Until this time, we had never seen *two* mint state 1892-S Half Dollars at the same time, let alone a roll! The top coin on the roll had picked up a heavy facial scratch, but the other 19 pieces were as frosty and nice as the day they fell from the dies 85 years ago.

At the present time, the 1892-S Half Dollar carries an MS-65 "bid" price of \$1200 and an "ask" price of " — — ". This means that none has been offered, at any price, on the dealer to dealer teletype circuits. Another important note: while the listed "bid" price is \$1200, bids as high as \$1800 have been monitored. It is not hard to see why the 1892-S Half Dollar in the recent New England Rare Coin Auctions "May Sale" realized \$2500.

This is the first time these coins have been offered for sale, and they are being offered *exclusively* to the readers of this investment letter. They will not be offered through a COIN WORLD ad or our other publications (catalogs, monthly mailers) for at least another two months (if there are any left by that



time, which is doubtful!).

For this special offering *only*, the coins are priced as follows:

1892-S Barber Half Dollar, Gem BU 65 .....1,950.00

We must limit orders to 2 coins per customer.

**INVESTMENT HINTS:  
HOW NOT TO STORE YOUR COINS.**

After the collector has done everything right about the *purchase* of a coin (research, acquisition of proper grade at proper price, etc.), he frequently does everything wrong about *storing* the coin. Improper storage can cost the collector dearly!

The most important error to avoid is using coin albums with clear plastic "slides" that cover and "protect" the coin. These slides have sharp edges, and can cut hairlines into the coins as they are moved back and forth. How many coins have you seen with fine

"slide marks" on the highpoints? Remember, "album friction" is still friction!

If you still want to use the "set" format for your collection, there are plastic holders available that do not slide across the coin. These holders are available at most coin shops and/or can be custom made. The extra expense now can be a big plus when it's time to sell.

Many people store their coins in soft plastic "flips." If these flips are of a high grade, there will be no problem. If low grade flips are used, they can "sweat", causing discoloration or a "greasy" film on the coin. New England Rare Coin Galleries uses plastic flips (of the highest grade obtainable, of course) and has encountered no problems even on coins stored for many years. In fact we recommend that our customers simply keep all coins purchased from us in the original holders for storage purposes.

Other recommendations are to use "tarnish free" paper or pouches, especially on copper coins. Again, these are available at most coin shops across the country.

---

**SPECIAL HALF PRICE INTRODUCTORY OFFER**

As an introduction to our new investment letter, we are offering a 12 issue subscription for only \$6, half the usual \$12 price, and a 75% savings over the single issue price of \$2 per copy.

I would like to receive the next 12 issues of "INVESTMENT INSIGHTS." Enclosed is my check for \$6, half the regular subscription rate.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Send to: NEW ENGLAND RARE COIN GALLERIES

Investment Insights

Box 1776

Boston, MA 02107